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# INVESTMENT DEVELOPMENT AND EXPORT ADVANCEMENT SUPPORT PROJECT

ANNUAL REPORT

JANUARY-SEPTEMBER 2013

October 2013

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United States

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### **DISCLAIMER**

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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## LIST OF ACRONYMS

|                         |   |
|-------------------------|---|
| <b>AEP</b>              | Agency for Entrepreneurship Promotion                 |
| <b>B2B</b>              | Business to Business                                  |
| <b>BA</b>               | Business Associations                                 |
| <b>CoC</b>              | Chambers of Commerce                                  |
| <b>COP</b>              | Chief of Party  |
| <b>COR</b>              | Contracting Officer Representative                    |
| <b>DI</b>               | Domestic Investments                                  |
| <b>DOC</b>              | Development Outreach and Communications               |
| <b>DPMEA</b>            | Deputy Prime Minister for Economic Affairs            |
| <b>EEN</b>              | European Enterprise Network                           |
| <b>ENER (EHEP)</b>      | Unique National Electronic Register of Regulations    |
| <b>EPA</b>              | Export Promotion Agencies                             |
| <b>EG</b>               | Economic Growth                                       |
| <b>FDI</b>              | Foreign Direct Investment                             |
| <b>FIC</b>              | Foreign Investors Council                             |
| <b>FB</b>               | Facebook  |
| <b>GoM</b>              | Government of Macedonia                               |
| <b>IDEAS</b>            | Investment Development and Export Advancement Support |
| <b>IT</b>               | Internet Technology                                   |
| <b>Invest Macedonia</b> | Agency for Foreign Investments and Export Promotion   |
| <b>IGD</b>              | Inclusive Growth Diagnostic                           |
| <b>MASIT</b>            | Macedonian ICT Chamber                                |
| <b>MoE</b>              | Ministry of Economy                                   |
| <b>MoU</b>              | Memorandum of Understanding                           |
| <b>MLSP</b>             | Ministry of Labor and Social Policy                   |
| <b>MSEP</b>             | Macedonia Small Business Expansion Project            |
| <b>NECC</b>             | National Entrepreneurship and Competitiveness Council |
| <b>NGO</b>              | Non-Government Organization                           |
| <b>PALiIZ</b>           | Polish Information and Investment Agency              |
| <b>PPD</b>              | Public-Private Dialogue                               |
| <b>PR</b>               | Public Relations                                      |
| <b>PR</b>               | Press Release   |

|              |  |
|--------------|--|
| <b>PD</b>    | Professional Development                           |
| <b>POC</b>   | Point of Contact                                   |
| <b>PMI</b>   | Project Management Institute                       |
| <b>RIA</b>   | Regulatory Impact Assessment                       |
| <b>SoW</b>   | Scope of Work                                      |
| <b>SIPPO</b> | Swiss Import Promotion Programme                   |
| <b>SEA</b>   | State Employment Agency                            |
| <b>SME</b>   | Small and Medium Enterprises                       |
| <b>TIDZ</b>  | Technological Investment Development Zones         |
| <b>ToR</b>   | Terms of Reference                                 |
| <b>USAID</b> | United States Agency for International Development |
| <b>USG</b>   | United States Government                           |
| <b>WP</b>    | Work Plan  |

# EXECUTIVE SUMMARY

This document represents the USAID Investment Development and Export Advancement Support (IDEAS) Project Annual Report for the period January 1, 2013 through September 30, 2013. The IDEAS Project (referred to hereinafter as the “Project”), in its third year of implementation, successfully implemented numerous activities in three components designed to enhance investment and export initiatives in Macedonia. In the third year, the Project focused on implementing economic development policies, building institutional capacity of Project partner organizations, implementing export readiness activities, and developing mechanisms to ensure sustainable public –private dialogue. These activities were discussed and agreed upon with Project stakeholders from the public and private sectors (Deputy Prime Minister for Economic Affairs, Ministry of Economy, InvestMacedonia, Ministry of Information Society and Administration and all four chambers of commerce).

During the reporting period, the Project marked the following key achievements, presented below:  
*Note:* The results are presented by theme in which they belong, and not by chronological order.

- Held consultation meetings with Project stakeholders to obtain their input while developing the third year Work Plan. A presentation and discussion of the draft Work Plan was organized on February 1, 2013 in Skopje. Forty representatives from partner institutions, USAID and IDEAS attended the presentation. At the event, various new initiatives were identified and suggested to be included in the Work Plan. After fine tuning, the Project submitted the final Work Plan to USAID, and obtained approval on February 21, 2013. To implement the activities planned in the Year 3 Work Plan, the Project developed 19 Special Projects, and obtained approval from USAID.
- Completed software modifications to enable bilingual functioning of the KonkurentnostMK portal and developed an Albanian version of the promotional brochure. The portal became available in Albanian language on February 6, 2013.
- Organized a capacity building workshop for InvestMacedonia and Technological Industrial Development Zones (TIDZ) Directorate, in Mavrovo, from March 13 to 15, 2013. The main objective of this workshop was to strengthen the capacity of the employees of InvestMacedonia and the TIDZ Directorate to carry out their respective duties and legally defined responsibilities for provision of aftercare services to foreign investors.
- Completed the first draft of the Aftercare Manual developed for InvestMacedonia. The document provides all relevant information needed by the Agency to plan and implement comprehensive aftercare activities in the future and is expected to guide the InvestMacedonia staff through the process.
- Organized an aftercare study visit for the employees of InvestMacedonia and the TIDZ Directorate to the Polish Information and Investment Agency (PALiZ) in the period May 19



– 23, 2013. The study visit included meetings with PALiZ management and relevant departments, the Polish Ministry of Economy, AmCham Poland, as well as a visit to one of the largest foreign investors in Poland – the Danish company Danfoss.

- Finalized the registration forms (English and Macedonian versions) that will be used by InvestMacedonia as instruments for collection of information for the database of major foreign investors, and established contact with eleven business associations to seek assistance with their distribution.
- Gordana Toseva and Kiril Minoski supported USAID Macedonia's preparation of a comprehensive report analyzing the main constraints to economic growth in Macedonia – the Inclusive Growth Diagnostic.
- Provided support to the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia (InvestMacedonia) together with Macedonian Chamber of Information and Communication Technologies (MASIT) to participate in a Business to Business match-making event with IT companies from Germany, organized on February 5-6, 2013 in Dusseldorf, Germany.
- Provided technical support to InvestMacedonia to participate in "Fruit Logistica" 2013, the leading international fresh produce trade fair, in Berlin, Germany, from February 6 to 8, 2013.
- Developed the first vertical curricula for the apparel sector. The Swiss SIPPO program and the Textile Cluster assisted in developing the curricula.
- Co-organized the Regional Agribusiness Forum and B2B on May 29, 2013 at the Skopje Fair. The event was organized in cooperation with the Agency for Foreign Direct Investment and Export Promotion of Republic of Macedonia, USAID's AgBiz Program and RCI. More than 120 participants and more than 30 companies participated at the event.
- Completed three issues of the electronic newsletter Exporter. The issues include information regarding the activities of the Agency for Foreign Investment and Export Promotion, the Ministry of Economy, and the Agency for Entrepreneurship Promotion; information on export activities of the private sector business associations and chambers; as well as positive stories of successful Macedonian exporters.
- The Project in cooperation with InvestMacedonia, the NECC, and the Agency for Promotion of Entrepreneurship organized three half-day trainings on "Learning Export" on March 28, 2013 in Skopje; May 30, 2013 in Prilep; and on June 5, 2013 in Kumanovo. The trainings were attended by over sixty representatives from local companies. At these events, the Project and stakeholders promoted three software solutions: [www.konkurentnost.mk](http://www.konkurentnost.mk); [www.ener.gov.mk](http://www.ener.gov.mk); [www.investinmacedonia.com](http://www.investinmacedonia.com), developed with IDEAS support.
- Developed a guide on creating policy papers for the business sector in the form of a toolkit, in order to successfully improve the capacities of the Chambers of Commerce and Business Associations and thereby upgrade their capabilities to become relevant and capable counterparts in the public-private dialogue (PPD) process.
- The Project and its Public Private Dialogue (PPD) component, in its role as executive office of the NECC, organized an assembly of founders on April 18, 2013 at the Government of



Macedonia. At the assembly, all completed activities and achieved results were presented and the activity plan for the remaining months of 2013 was approved.

- The Public Private Dialogue (PPD) component in its role as executive office of the National Entrepreneurship and Competitiveness Council (NECC) organized working sessions of all nine committees; these sessions involved high Government officials and private sector representatives.
- A representative of the Ministry of Information Society and Administration and a Project representative participated in the five-day RIA and Regulatory process seminar at LUISS University in Rome, from May 13-17, 2013. It was organized by Jacobs & Associates, a leading training provider on the topic of RIA. Participants from Malawi, Kazakhstan, Sweden, Malaysia, Serbia, Kenya, Italy, Moldova, Germany, Brazil, Switzerland, Bulgaria and Macedonia learned from each other and shared their experiences.
- The PPD component organized a series of working sessions of the RIA/ENER representative of the Ministry of Information Society and Administration with 1) the cabinet in charge of RIA of the Italian Government, 2) MIPA: a specialized Institute in the field of RIA and 3) Formex: an organization providing expertise to Italy and other countries. Along with the PPD Component Lead and the Chief of Party, they shared experiences and established a close cooperation for the future in RIA.
- The Project and its Public Private Dialogue (PPD) component organized a one-day workshop to review the current ENER electronic solution. The meeting took place in Skopje on July 9, 2013 and was attended by 22 people representing 14 ministries and other public administration institutions, who worked with the IDEAS expert on recommendations to improve the current model and solution.
- The Project, in its role as executive office of the NECC, organized 27 forums with employers, as part of the “Forums with the business community” activity. This activity was organized in partnership with the Ministry of Labor and Social Policy and the State Employment Agency. The forums took place in course of August and September 2013 in 27 municipalities. The events garnered significant media coverage. As part of the operational support of the NECC, a logo, banner, website and business cards were developed.
- Trained thirty representatives of government institutions and private sector chambers, along with Project staff members in project management techniques using the methodology of the Project Management Institute (PMI). The two training sessions were organized in June, 10-14 and 17-21, 2013.
- Organized Communication and Presentations Skills and Public Speaking Training. Twenty-nine participants including both Project staff and key stakeholders representatives: the Ministry of Economy; NECC; InvestMacedonia; and the Agency for Entrepreneurship Promotion, participated at the training, organized in mid-July 2013.
- Developed Special Project (SP-Y3-Media/PPD# 3), entitled: “The Role of the Business Community in Inclusion of People with Disability” roundtable. The SP was approved on August 27. The purpose of the roundtable discussion will be to gather in one place different stakeholders responsible for the inclusion of people with disabilities so they can discuss their experiences and efforts to increase employment opportunities.

- Developed three Project-related articles for the InStore magazine; 45,000 copies will be published. Articles include Macedonian companies exhibiting in trade fairs, the KonkurentnostMK web portal, and the NECC's benefits to the Macedonian private sector, and feature Project Component Leaders.
- Published an interview in weekly magazine "Kapital" on February 22, 2013 with the Minister of Economy, Valjon Saracini and Gordana Toseva of the Project. The Project developed a promotional brochure with basic information on konkurentnostMK and 1,500 copies of it were distributed to Kapital's subscribers.
- The Public Private Dialog Component Lead was on TV Alfa's morning program May 23, 2013 where he shared the experiences gained at the international Regulatory Impact Assessment seminar held in Rome.
- Developed promotional brochure with basic information on ENER; 1,800 copies were prepared and distributed through Kapital magazine; and at the Macedonian corporate lawyers in Ohrid seminar and Project related events.
- Two IDEAS-related articles were published in the August edition of the RCI newsletter. The first is a success story that highlights the InvestMacedonia web portal (developed with Project support). The second article discusses the regional agriculture/agribusiness forum and B2B meetings, organized in coordination with USAID's AgBiz Program.
- Organized the Year Four Work Plan Development Staff Retreat, from September 3-5, 2013 in Ohrid. IDEAS staff members and USAID/COR attended the two-day workshop session to present the draft Work Plan and provide fine tuning of the proposed activities.
- At the end of the Year Three Work Plan year, the Project engaged key counterparts and stakeholders to collectively define the scope and substance of activities that should be implemented in the Project's final year. The process included several rounds of discussions with each of the counterpart institutions at both operational and managerial levels. The Project then hosted a presentation and discussion of the draft Work Plan on September 11, 2013 in Skopje. Twenty representatives from partner institutions, USAID and the Project attended the presentation. The newly-appointed USAID Mission Director also attended the meeting. At the event, various new initiatives were identified and suggested, and those were included in the final Work Plan. The Project submitted the final Work Plan to USAID on September 30, 2013.
- Developed Media Advisories; monitored media; managed media coverage and compiled Press Clipping for Project-related events. In Year Three, 66 media articles were generated in local and national media. Updated Project's website [www.ideas.org.mk](http://www.ideas.org.mk) on regular basis.



**Mr. James Stein, the USAID Mission Director  
address the participants at the Year IV Work Plan  
Presentation**

# FY13 COMPONENT SUMMARY RESULTS

## I. COMPONENT LEVEL ACCOMPLISHMENTS

### **Component A, Theme I: Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and aftercare**

As set out in the Year Three Work Plan approved by USAID in February 2013, the Project significantly reduced its support to the industrial policy implementation process and shifted the majority of its resources to assistance in the aftercare area for the following reasons:

- A new industrial policy support project funded through the EU IPA (Instrument for Pre-Accession) was expected to start in the course of 2013. This assistance opportunity was initiated by the Ministry of Economy in 2010 and was thus in the pipeline since the beginning of IDEAS in 2011. The fact that the industrial policy process was expected to benefit from additional donor assistance starting in 2013 was fully taken into consideration during the IDEAS long-term strategic planning process and was consequently reflected in the Year Three Work Plan.
- The mid-term external evaluation of the work of the Project completed in December 2012 strongly recommended intensification of the assistance efforts in the area of aftercare support during the two remaining years of implementation.
- In the fall of 2012, the Project carried out a survey of the largest foreign investors in the country and discussed the issue of the current aftercare system with all relevant government institutions. The findings of the report unequivocally diagnosed weaknesses in the institutional and human capacity for provision of aftercare services and recommended an urgent set of actions for improvements in this area.

In light of the above, during the reporting period activities under Component A, Theme I were grouped in two subcomponents: subcomponent I – Industrial policy implementation support to the GoM and subcomponent II- Support GoM in establishing efficient and effective aftercare services. The accomplishments of the two subcomponents are described below.

#### **Subcomponent I – Industrial Policy implementation support to the GoM**

##### **I. Support the operation and functioning of the web portal KonkurentnostMK**

The web portal KonkurentnostMK was officially launched on January 15, 2013. It raised considerable interest among the business community, donors and government institutions. By the end of September, i.e. in the first nine months of its operation, KonkurentnostMK generated 58,200 visits.

Since its launch, the Project and the Ministry of Economy have invested significant efforts in promoting the portal and informing target groups as well as the general public of its role and contents. Along these lines, the MoE forwarded details of the launch of the portal to all chambers of commerce for further dissemination among their members. It also informed all government institutions involved in economic policy-making. Meanwhile, the Project distributed information to donors in Macedonia.

As part of the promotion process, the Project arranged a thematic interview in the economic magazine *KAPITAL* in which the Minister of Economy, Valon Saraqini, and Gordana Toseva spoke about the objectives of the portal and the benefits it provides to its various users. The article was published on February 22, 2013.

Promotional activities continued in the summer period. *IDEAS* developed an article on KonkurentnostMK for *InStore* – a magazine distributed in the form of 45,000 free-of-charge copies to businesses throughout Macedonia. The article appeared in the July-August 2013 issue of *InStore*.

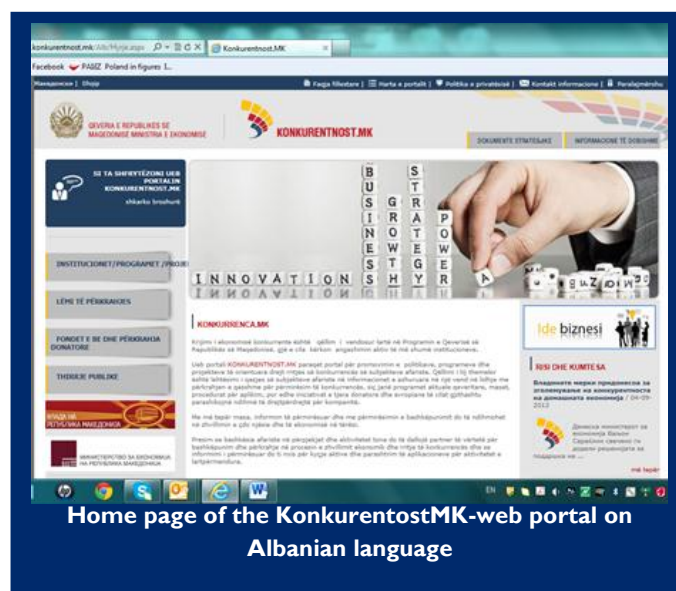


Concurrently with promotional efforts, the Project continued to work on expanding and improving the functionalities of the portal, making it friendlier to end-users and further promoting it to the business community. These activities were carried out through the following special projects:

### ***SP-Y2-IPI-#2a - Development of additional language localization to enable posting and appearance of the portal content in Albanian language***

The Project implemented this activity in response to a specific request by the Ministry of Economy, submitted to the Project in early January 2013. Its main objective was to make all KonkurentnostMK contents available to Albanian-speaking users.

The scope of work was approved by USAID on January 30, 2013. In late January, the Project signed an annex to the original contract with the software developer ULTRA for implementation of the software modifications needed to enable bilingual functioning of the portal and contracted a translator who will prepare Albanian translations of all identified portal contents, as well as of the promotional brochure. Upon the completion of the contracted activities, KonkurentnostMK became available in Albanian on February 6, 2013.



### **Deliverables:**

- Web portal KonkurentnostMK available in Albanian language.
- Promotional brochure for KonkurentnostMK in Albanian language developed and disseminated in promotional events.

### ***SP-Y2-IPI-#2b - Development of an additional module for the Business Idea Contest***

The Ministry of Economy submitted another initiative for further upgrading of the web portal KonkurentnostMK to the Project in early February. It related to the development of a separate module for the Business Idea Contest organized by the Ministry of Economy as part of its support to young entrepreneurs. The module would enable the electronic submission of business idea applications, as well as the public announcement of the list of business ideas selected by the selection committee for further support by MoE and the Agency for Promotion of Entrepreneurship.

The scope of work for this activity was approved by USAID on February 26, 2013. Immediately after completion of the legal aspects of the engagement, the software developer ULTRA started to work on developing the module for the electronic submission of applications for the Business Idea Contest. According to the process established by the Ministry of Economy, the application process ended on March 15. The selection committee reviewed the 108 applications and the list of the best business ideas to receive comprehensive business development training by the Ministry of Economy and the Agency for Promotion of Entrepreneurship was published on KonkurentnostMK on March 28, 2013.

In the course of April, the software developer ULTRA and the Project organized a short training for two employees of the Ministry of Economy in order to train them on the basic information features of the Business Idea Contest module and on how to use it in the future. The training included a presentation of related user manual.

#### **Deliverables:**

- Business Idea Contest module developed.
- Employees of the Ministry of Economy trained on module usage.

### ***SP-Y3-IPI-#3 – Promotion of e-government solutions supported by IDEAS to the business community***

This scope of work included promotion of e-government solutions developed under all three components of the IDEAS Project and was thus implemented as a cross-component activity. It involved the organization of three promotional events for the business community through the chambers of commerce in three cities in Macedonia. Summary information on the three promotional events appears in the section on PPD Component B under SP-Y3-PPD-#1.

#### **Deliverables:**

- Web portal KonkurentnostMK promoted among the business community.
- Private sector access to the available government assistance improved.

## **Subcomponent II- Support GoM in establishing efficient and effective aftercare services**

### **2. Facilitate and enhance coordination and collaboration among various stakeholders relevant to the efficient functioning of the system of investor aftercare**

During Year 3, IDEAS held several meetings with the directors of InvestMacedonia and the TIDZ Directorate along with their staff. One of the key issues raised and discussed at these meetings was the need for enhancing the collaboration and cooperation among various stakeholders in the aftercare process. As result of these discussions actions were agreed in the following areas:

- Cooperation between InvestMacedonia and the TIDZ Directorate. The two institutions expressed an interest to sign a Memorandum of Understanding and Cooperation. The document was drafted by the Project and submitted to the two institutions for revision and comments. The MoU identified the areas of cooperation between InvestMacedonia and the TIDZ Directorate and provided for establishment of an aftercare working group consisting of the directors and the employees of both parties to serve as forum for coordination of all activities that require their mutual involvement. Though the two institutions had no objections on the draft MoU proposed by the Project, the document was not signed to date due to reasons that are more personal than institutional in nature.
- Enhancement of the cooperation between InvestMacedonia and the investor community. InvestMacedonia was fully aware of the need to further develop their dialogue and cooperation with the investor community in various areas of the aftercare process. For this reason and with support of the Project, they made several attempts to engage in a more substantial cooperation with the Foreign Investors Council – FIC – and other similar investor associations. These efforts have been somewhat delayed due to the personnel changes in the FIC management. Nevertheless, in September 2013 InvestMacedonia made a major step in this area by organizing a meeting with twelve investor associations in Macedonia, including FIC, to discuss their involvement and cooperation in the implementation of specific aftercare activities. This initiative of InvestMacedonia was received extremely positively by the participants at the meeting (all but one association were represented) who committed to closely collaborate with the agency for the benefit of their members.
- Improvement of the cooperation with other government institutions. In this regard, InvestMacedonia undertook to reiterate a process that started in 2010 by sending letters to each of the relevant ministries and agencies requesting that they appoint respective contact persons for FDI-related procedures and areas of operation. The collection of these data was successfully completed in July 2013. As a next step, InvestMacedonia prepared a comprehensive list of contacts in each of the relevant institutions, distributed the contact information to the relevant aftercare staff and began establishing closer contacts with the respective institutions in order of priority.

### **3. Assist InvestMacedonia and TIDZ Directorate in defining a core set of aftercare services to be offered to foreign investors**

The issue of defining a realistic set of aftercare services has been discussed with InvestMacedonia and the TIDZ Directorate at all formal and informal meetings held so far. The situational analysis carried out by the Project concluded that when it comes to aftercare, these two institutions significantly differ in terms of concrete responsibilities, capacities and most importantly the respective users of their services. While the TIDZ Directorate provided aftercare services to a strictly defined and fairly small number of investors located in the TIDZs, InvestMacedonia faced serious challenges in identifying the target investors, as well as in defining the specific services it should provide to them.

To address this, the Project articulated, together with the InvestMacedonia aftercare team, a list of possible core aftercare services that the agency has the capacity to provide to investors in the first phase of the process. Beyond specific services, discussions included the modalities of capturing and elaborating the selected services in an institutionally sound and structured manner. Based on these discussions, and relying on knowledge of the Polish aftercare experience gained during the May 2013 study visit, the Project embarked on drafting for InvestMacedonia a document with a working title Aftercare Manual.

The concept of the Aftercare Manual was developed at the beginning of September and its first draft completed by the end of the month. The document was designed to have both an educational and practical role, i.e. to provide the InvestMacedonia aftercare staff with all relevant information needed to plan and implement comprehensive aftercare activities and to guide them through the process. The Manual makes an attempt to, *inter alia*, define the goals of all InvestMacedonia aftercare activities; determine the necessary preconditions for their successful implementation; identify needed resources; and list and describe all potential aftercare services that should be provided by the agency to foreign investors in the medium term. It will be completed in the first half of October and serve as a foundation for the first annual work program to be prepared by InvestMacedonia for 2014.

#### **4. Assist InvestMacedonia and TIDZ Directorate in developing a foreign investor database**

One of the main preconditions for the execution of efficient and targeted aftercare activities is a comprehensive database of major foreign investors. Since such a database was not in place, its establishment was identified as a critical need in the context of Project's aftercare assistance. Specific activities needed for the successful implementation of this effort included assistance to InvestMacedonia in determining the scope of the database, selecting the methods for collection of the needed information, and developing the IT tools for data management.

The proposed main instrument for collection of information for the database is a tailor-made registration form set to be distributed to potential foreign investors through various channels. The draft registration form was prepared by InvestMacedonia and the Project in the course of July and August 2013. The work included drafting of the form, content and language editing, translation into Macedonian (it was decided that investors would have the option to fill in the registration form in either English or Macedonian) and introduction of a technical possibility for the form to be filled in electronically and automatically submitted to InvestMacedonia.

On September 20, 2013 InvestMacedonia organized a meeting with twelve investor associations to discuss opportunities for future cooperation. One of the specific issues raised at the meeting was the active participation of the invited associations in the process of collection of information for the database of major foreign investors; i.e., they were asked by InvestMacedonia to distribute the database registration form to all their members that satisfy the foreign investor criterion set therein. The participating associations received the initiative for establishment of the database positively and committed to cooperate with InvestMacedonia on this matter. They also praised InvestMacedonia's plans to be more active in the area of aftercare, emphasizing that more efficient and effective services would be highly beneficial for their members.

The remaining activities for completion of the database, namely, the collection of the data and the development of the IT tool for management of the data, will be carried out in the course of Project's final year.

#### **Deliverables:**

- Registration form for collection of information for the database of major foreign investors drafted and distributed.



## 5. Capacity building for efficient aftercare

### ***SP-Y3-IPI-#1 - Capacity building workshop for InvestMacedonia and the TIDZ Directorate***

The scope of work was approved by USAID on February 25, 2013, as a joint activity of IDEAS' components on aftercare and export promotion. The third partner in the delivery of the workshop was USAID's AgBiz Program. The workshop agenda, the speakers and the venue were identified and agreed upon in close cooperation with InvestMacedonia and the TIDZ Directorate.

The workshop took place March 13-15, 2013 in Mavrovo. It included 25 participants from InvestMacedonia and five participants from the TIDZ Directorate, including the directors of both institutions. The workshop agenda consisted of half-day presentations and interactive discussions per each of the following topics: export promotion, aftercare, time management and client management.

#### **Deliverables:**

- Capacity building workshop for InvestMacedonia and TIDZ Directorate delivered.
- Knowledge and skills of the participants in respective areas strengthened.



**Key aspects and principles of efficient aftercare**



**Working atmosphere at the workshop**

### ***SP-Y3-IPI-#2 – Aftercare study visit***

The SoW for this activity was approved by USAID on April 16, 2013. During the second half of April, the Project identified potential agencies that would be appropriate to host the Macedonian delegation during the study visit. The selection process was based on a set of criteria established by the Project, InvestMacedonia and the TIDZ Directorate as beneficiary institutions. The process resulted in the selection of the Polish Information and Investment Agency (PALiIZ). PALiIZ was contacted by the Project and immediately agreed to host the Macedonian delegation. The trip was set for May 19-23, 2013.

During the first half of May, the Project organized all logistical details of the trip, including lodging, travel and transport. Concurrently, the Project discussed with PALiIZ the substantive part of the study visit, which included identifying institutional and investor representatives who should meet the Macedonian delegation, as well as drafting the agenda. To facilitate this process, the Project sent to PALiIZ an exhaustive list of topics and issues of interest for the Macedonian professionals participating in the visit. At the same time, in consultations with InvestMacedonia and the TIDZ Directorate, the Project put together the final list of participants to travel to Poland:

#### **I. InvestMacedonia**



- a. Visar Fida, Director
  - b. Igor Veleviski, State Counselor for Investor Servicing and Aftercare
  - c. Ana Milkova Velichkovski, Advisor in the Aftercare Department
  - d. Daniela Lazoska Milevska, Advisor in the Aftercare Department
  - e. Aleksandar Klashninovski, Advisor in the Legal Department responsible for state aid
2. TIDZ Directorate
- a. Viktor Mizo, Director
  - b. Danco Petrov, State Counselor for Investor Care, Potential Investors, Marketing and Communications
  - c. Miljana Vojdanoska, State Counselor for Legal and HR Issues
  - d. Nikolina Stojanovska, Senior Associate for Coordination with Other Government Institutions
3. Project
- a. Gordana Toseva, Senior Advisor
  - b. Irena Petkova, Support Officer

The final agenda for the visit included the following: meeting with the President of the PALiZ management board and the board member responsible for foreign investments and business promotion; presentations by the heads of the PALiZ sectors key for aftercare activities; a presentation by the Polish Ministry of Economy; meeting with the executive director of AmCham Poland; and a visit to one of the largest foreign investors in Poland, Danfoss Denmark. PALiZ also arranged for a short presentation for its staff of Macedonia's investment climate and the country's efforts to attract foreign investments.

In addition to the meetings organized by its Polish counterparts, the Macedonian delegation also met with H.E. Fatmir Xheladini, the Macedonian Ambassador to Poland and Ljupco Mihajlovski, the economic promoter of Macedonia for Poland, Hungary and the Czech Republic.

The general impression from the study visit expressed by Macedonian participants was very positive. The group was warmly welcomed by PALiZ and treated in a highly professional manner. All meetings were very informative and relevant to the future aftercare activities of InvestMacedonia and the TIDZ Directorate. They were also interactive, giving the participants a chance to inquire about the Polish experience in the field of investment promotion and investor servicing. It is worth noting that the Polish counterparts were very forthcoming and open in elaborating their practices and sharing with their Macedonian colleagues both successes and challenges. As a result, the Macedonian delegation considered the visit highly relevant and useful for its future work.

### **Deliverables:**

- Aftercare study visit to Poland for InvestMacedonia and the TIDZ Directorate completed.



**Macedonian delegation visiting the Polish Information and Investment Agency**

## **Inclusive Growth Diagnostic (IGD)**

The USAID Mission in Macedonia initiated IGD in February 2013 as a comprehensive research effort aimed at identifying the main constraints to economic growth in the country. A team of economists from USAID Washington, assisted by a group of local specialists from USAID Macedonia, conducted the research. Gordana Toseva and Kiril Minoski from the Project took part in the effort as well.

The role of the Project staff was to identify and provide information, data and materials needed for some of the IGD research areas and to review, from a local perspective, the draft IGD document. The preparation of the diagnostic started in March 2013, with the first visit of the Washington team to Skopje; the first draft of the report was completed in the second half of May. Gordana Toseva and Kiril Minoski provided comments on the document. The initial IGD findings were presented to relevant stakeholders from government, business and civil society in early June. The final version of the Inclusive Growth Diagnostic Report for Macedonia was received by the Project at the end of August 2013.

IDEAS The Project Year Four Work Plan makes an attempt to address or at least contribute to some of the policy areas identified by the IGD Report as crucial for the future growth performance of the Macedonian economy.

## **Component A, Theme 2: Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports**

The main emphasis for the activities in Year 3 was on building institutional capacity of the Project partner organizations, and implementing export readiness and marketing activities. Activities implemented during Year 3 under this theme, were grouped in five categories:

Activity 1– Export Promotion Support; Activity 2- Export Analysis Support; Activity 3- Export Readiness Support; Activity 4 - Export Education and Export Awareness; and Activity 5 - Institutional Development of Invest Macedonia.

The above-mentioned activities were implemented within the framework of five special projects, resulting in the outcomes that are presented below. *Note:* The Special Projects are presented by activity group in which they belong, and not by order of the numbers.

### **ACTIVITY 1 - Export Promotion Support**

#### ***SP-Y3-EP-# 1 – Agro sector- “Fruit Logistica”, Berlin, Germany, February 6-8, 2013***

Fruit Logistica is the most important business and communication arena of the international fresh produce trade in Europe. This year from February 6-8, 2013, ten Macedonian Companies exhibited their products at the National Stand funded by the Ministry of Agriculture, Forestry and Water Economy of the Republic of Macedonia. The SoW for this activity was approved in January, 2013.

Participation in Fruit Logistica has contributed to raised awareness of the brand “Made in Macedonia” on international markets, as well as to strengthened confidence of foreign partners about the capabilities of Macedonian producers of Fresh Fruits and Vegetables. Also, companies from Macedonia were able to establish new business links with potential business partners and to improve their knowledge about new methods and equipment for production, packaging, storage, transport and new means of presenting of their products. This activity was implemented in cooperation the USAID’s AgBiz Project.



#### **Deliverables:**

- Ten Macedonian Companies exhibited their products at the National Stand,
- Strengthened awareness of the “Made in Macedonia” brand on international markets,
- Improved confidence of foreign partners about the capabilities of Macedonian producers of Fresh Fruits and Vegetables.

### ***SP-Y3-EP-# 1- ICT- B2B match-making event in Dusseldorf, Germany, February 5-6, 2013.***

As part of the export promotion activities of the portfolio of the Agency for Foreign Direct Investment and Export Promotion of Republic of Macedonia, IDEAS together with GIZ IEP Project supported the representation of 8 companies from the IT sector on the B2B, held in Dusseldorf, Germany from February 5-6, 2013. The Invest Macedonia economic promoter for Germany, located in Dusseldorf, MASIT, and two additional German agencies engaged through GIZ IEP (NRW Invest and Zenit) were also involved in the implementation of this export promotion event.

In addition to the opportunity for targeted B2B meetings with German companies during the event, companies were also able to learn about advantages of using the European Enterprise Network (EEN) in order to find partners in Europe.

Participation in the activity for Macedonian companies was an excellent opportunity for generating business leads. From the perspective of Invest Macedonia, the event contributed to building the knowledge base and staff capacity to perform business development.



**Preparation for the B2B match-making event**

#### **Deliverables:**

- Created contacts with potential buyers that might result in developing strategic partnerships in the future, and strengthened the linkages with their existing customers,
- An experience exchange in ICT marketing with more experienced companies from UK, and
- Contributed to building the knowledge base and staff capacity of Invest Macedonia to perform business development.

### ***SP-Y3-EP-# 1a – Regional Agribusiness Forum and B2B, May 29, 2013***

As part of the export promotion activities within the portfolio of the Agency for Foreign Direct Investment and Export Promotion of Republic of Macedonia, USAID's AgBiz Program and RCI, together with the Project, organized the Regional Agribusiness Forum and B2B event on May 29, 2013 in Skopje. The SoW for the activity was approved on May 17, 2013.

The objective of the event was to address some of the key obstacles related to the trade facilitation in the agribusiness sector such as lack of relevant market information, lack of market linkages, and an undefined strategic vision for cross-border value chain strengthening and business expansion. The Regional Agribusiness Forum and B2B also was a matching platform enabling business meetings between agribusiness companies from the region: Bulgaria, Serbia, Albania, Kosovo, Montenegro, Bosnia and



**Regional Agribusiness Forum and B2B**

Herzegovina and Macedonia (supermarkets, wholesalers, traders, processors and producers).

#### **Deliverables:**

- Around 120 participants and more than 30 companies participated at the event, creating unique opportunities to learn about the latest developments in implementation of the CEFTA agreement, trade promotion programs, donor funded programs, as well as to meet with potential business partners.
- The event contributed to building the capacity of the Agency for Foreign Direct Investment and Export Promotion to perform business development.

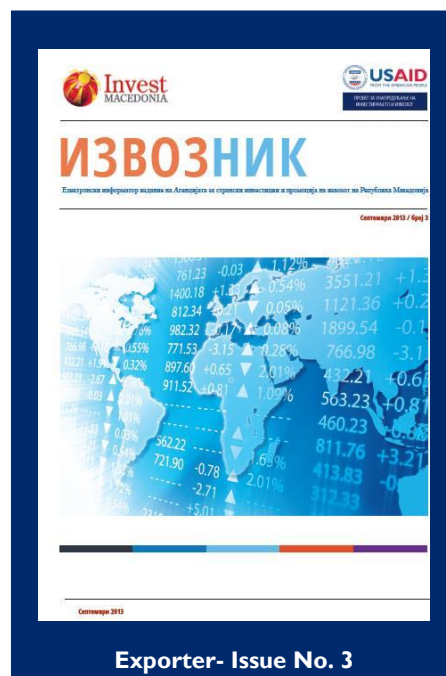
### **ACTIVITY 2- Export Analysis Support**

#### **SP-Y3-EP-# 2- Export Analysis, Export Awareness and Export Education Support**

The main objective of the activity is to support export analysis, education and awareness activities of the InvestMacedonia, using the web portal of the Agency and electronic newsletter Exporter as tools. The SoW for this activity was approved on March 1, 2013.

During Year Three, the Agency developed three issues of Exporter. The Newsletter includes information regarding the activities of the Agency for Foreign Investment and Export Promotion, Ministry of Economy and Agency for Entrepreneurship Promotion; information on export activities undertaken by private sector business associations and chambers; positive stories that highlight successful Macedonian exporters, as well articles on trade analysis, trade statistics (global and regional data) and export education. The third issue of the Newsletter, published in September 2013 is presented in the picture.

In the area of export analysis, the IDEAS Project, together with the Export Department in the Agency for Foreign Direct Investments and Export Promotion, designed a template for a market entry report. In addition, the sample market entry report for Switzerland was written and distributed to economic promoters, using Euromonitor and other available sources of trade information. With the support of the Project, the Export Department and economic promoters, 15 market entry reports were created and will be posted on the web portal of the Agency.



#### **Deliverables:**

- Developed and published three issues of “Exporter”, electronic export Newsletter,
- Developed a template for Market Entry Report,
- Provided support for development of 15 market entry reports.



### **SP-Y3-EP-# 3- Export Readiness Support**

The main objective of the activity was to train potential export companies, from several regions in the country, using the methodology and curriculum developed for general Export Education. It also included the creation of one sectorial (vertical) curriculum for export promotion. The SoW of this activity was approved on March 1, 2013. During Year Three, the Project improved the export knowledge of potential and current exporters through the following activities:

- Organized three (one-day) “ We are learning export” workshops, covering following topics: Market Research, Export Marketing, Export Prices, Export Offers, and Methods of Payments in international trade, and Export Disputes.

The project supported workshop organization in all three instances. The first was organized by the Agency for Entrepreneurship Promotion, and was held at the Faculty for Mechanical Engineering (March, 28 in Skopje); the second by the Agency for Entrepreneurship Promotion, Invest Macedonia, Business Confederation and the NECC (May 30, in Prilep) and the third by the Agency for Entrepreneurship Promotion and NECC (June 5, in Kumanovo).

The training provided insights on practical implementation of marketing tools, market research, distribution, export offers, export prices, and contracts. The training should contribute to creating sustainable capacity within both the public sector and the business community for export education and training. At least 60 companies participated in these training sessions. Through the training program, export-oriented companies were able to improve their knowledge and skills required to enter foreign markets and increased their export potential for their products/services, distribution, and placement. The results from several countries where similar programs for export support were implemented have shown a positive correlation between improving competitiveness and increasing exports over the long term. All these workshops were covered by representatives from local or/and national media. In some cases, lengthy interviews were organized featuring IDEAS staff members and aired in local media.

- The Project in cooperation with Swiss SIPPO program and the Textile Cluster initiated an activity to create the first vertical curriculum for apparel. The curriculum was completed by end of September 2013 and covers necessary actions related to export of apparel products, including the preparation of export marketing plans, development of channels for distribution, pricing policy, payment instruments, etc.

The activity will continue over the course of Year Four with workshops for the trainers (15 representatives from public institutions: Agency for Foreign Investments and Export Promotion of



**IDEAS Export Promotion Senior Advisor presents finding in Export prices, contracts and promotion to the participants**

**The trainer (left) discuss with the participants in Kumanovo**

Republic of Macedonia, Agency for Entrepreneurship Promotion, Ministry of Economy, private sector chambers and business associations) and with training of the 50 textile companies.

**Deliverables:**

- Organized export related workshops, attended by representatives of sixty companies from across Macedonia,
- Improved companies' knowledge and skills required to enter foreign markets and to increase their export potential for their products/services, distribution, and placement.
- Developed the first apparel sector vertical curricula for export education, developed in cooperation with the Swiss SIPPO program and the Textile Cluster.

***SP-Y3-EP-# 4 - Promotion of e-government solutions supported by IDEAS to the business community***

The scope of work included promotion of e-government solutions developed under all three components of the IDEAS Project and was thus implemented as a cross-component activity. It involved the organization of three promotional events for the business community through the chambers of commerce in three cities in Macedonia. Summary information on the three promotional events appears in the section on PPD Component B under SP-Y3-PPD-#1.

***SP-Y2-Export # 5- Institutional Development of Invest Macedonia - Study tour for transfer of international best practices in export promotion***

The purpose of this activity is to increase the capacity of the staff of the Agency for Foreign Direct Investment and Export Promotion of the Republic of Macedonia. The Agency is currently constrained by its lack of practical knowledge in the area of export promotion. This lack will be addressed through a study visit that will be implemented during the Y4 to a trade and investment promotion agency with an advanced export support system. The SoW of this activity was approved on August 5, 2013.

IDEAS has found that study visits are an extremely efficient tool for knowledge transfer. They serve to enhance and broaden practical understanding of how export promotion agencies operate, as well as assist in establishing professional relationships that continue after the visit concludes. The implementation of the activity will increase the knowledge of relevant Macedonian institutions regarding export promotion. It also should increase the understanding of the internal organization and business processes to be integrated by the staff of the Agency for Foreign Direct Investment and Export Promotion of Republic of Macedonia. The activity will be implemented until April 2014.

## Component B: Public-Private Dialogue (PPD) Enhanced

The main focus for activities in Year Three was on providing operational support to the National Entrepreneurship and Competitiveness Council (NECC); capacity building for the Ministry of Information Society and Administration on RIA/ENER; and capacity building for the Business Associations in public-private dialogue. Activities implemented during Year Three, under this component, were grouped in three categories:

Activity 1– Support to the NECC, Activity 2- Support to implementation of Regulatory Impact Assessment (RIA), and Activity 3- Strengthening capacities of CoC/BA to engage in PPD. The above-mentioned activities were implemented within the framework of six special projects, resulting in the outcomes presented below. *Note: The Special Projects are presented by activity group in which they belong, and not by order of the numbers.*

### ACTIVITY 1 – Support to the NECC

#### ***SP-Y3-PPD-#1 - Promotion of e-government solutions supported by IDEAS to the business community***

The SoW for the activity was approved in February, 2013. Its general objective was to present e-government solutions developed by governmental institutions in cooperation with the Project to private sector companies as well as the broader public and demonstrate the practical benefits of their usage.

These solutions assist in creating a transparent, competitive and favorable business environment that will contribute to achieving a sustainable and growing economy in the country. The three applications promoted were KonkurentnostMK ([www.konkurentnost.mk](http://www.konkurentnost.mk)), the web portal for exporters ([www.investinmacedonia.com/node/53](http://www.investinmacedonia.com/node/53)) and the ENER web portal ([www.ener.gov.mk](http://www.ener.gov.mk)).

As part of the activity, five promotional events were organized, in Bitola, Tetovo, Shtip, Prilep and Kumanovo. These events were organized in coordination with the business chambers and associations, the local economic development departments, the Agency for Foreign Investment and Export Promotion, the Ministry of Economy, the Ministry of Information Society and Administration, and the components A1 and A2 of IDEAS. The Project's main partner in their organization was NECC. The events gained vast media coverage.



#### **Deliverables:**

- Around 90 representatives of the business community and local authorities participated in the promotional events,
- Improved access to information and enhanced collection of information and data,
- Facilitated application procedures for incentives available in various government programs,
- Raised the awareness of the broader public on existence and usage of the portals.



### **SP-Y3-PPD-#2 – Operational support to the NECC**

During Year Three, Project efforts focused on two main priorities: establishing the executive office as a sustainable model of operation and carrying out content-providing activities for the NECC and building its position as a key stakeholder in PPD at a national level. The SoW of this activity was approved on April 15, 2013. Achievements related to both priorities were very positively evaluated by the NECC assembly on April 18.

In course of 2013, the Project in its role as executive office of the NECC organized and hosted several working sessions of its committees; participated at relevant business events and meetings, and represented NECC in national and local media.

The Project, in its role as executive office of the NECC, in partnership with the Ministry of Labor and Social Policy and the State Employment Agency, organized an open meeting event where more than 80 business representatives from business associations and companies attended an all-day event. Also, NECC and its HR committee, coordinated by the Project, participated in defining the Brain-drain strategy and action plan, currently being submitted to the GoM for review.

In the last quarter of Year Three, the NECC in cooperation with the Ministry of Labor and Social Policy and the State Employment Agency, organized the “Forums with the business community” activity. It consisted of a series of forums held in 27 municipalities, drawing a total of approximately 600 business representatives from business associations and companies. It involved one-day events with the Minister of Labor and Social Policy, the State Employment Agency, local self-government and the DPMEA cabinet. These events garnered significant media coverage. The press clippings will be published on NECC’s website.

In addition, the Project PPD staff, in its role as the executive office, prepared the two-day policy paper training for CoC’s and BA organized on 23-24 September in Gevgelija. The training was organized in coordination with experts and private business representatives.

As an activity agreed upon as a joint effort with USAID’s Small Business Expansion Project (SBEP), the PPD Component Lead participated in a regional coordination meeting in Tetovo on issues concerning diaspora investment activities in the Polog region. Also attending were officials from the Chamber of Commerce of North-Western



**NECC’s Assembly**



**Bi-lingual banner of the NECC**



**Forum with the local businesses in Berovo**

Macedonia and other local authorities. All parties agreed that future activities should enhance the role of NECC and the CoC's throughout Macedonia in this field, to result in specific SoWs for 2014.

Along with the public promotion of NECC, the procedure for developing a NECC website was successfully finalized in September, as part of the visual identity development process reviewed and accepted by the Project's counterpart institution.

#### **Deliverables:**

- Established executive office of the National Entrepreneurship and Competitiveness Council (NECC),
- Developed visual identity of the NECC ( logo, banner, website [www.necc.mk](http://www.necc.mk); and business card),
- Organized "Forums with the business community" in 27 municipalities, attended by approximately 600 business representatives.

#### ***SP-Y3-Media/PPD# 3-The Role of the Business Community in People with Disability Inclusion -roundtable –***

In Year 3, the PPD and the PR teams identified an activity related to Inclusive Development. In August, the Project developed Special Project, entitled: "The Role of the Business Community in Inclusion of People with Disability" – roundtable. Summary information on activity appears in the section on PR under SP-Y3-Media/PPD# 3.

#### **ACTIVITY 2 – Support to implementation of Regulatory Impact Assessment (RIA)**

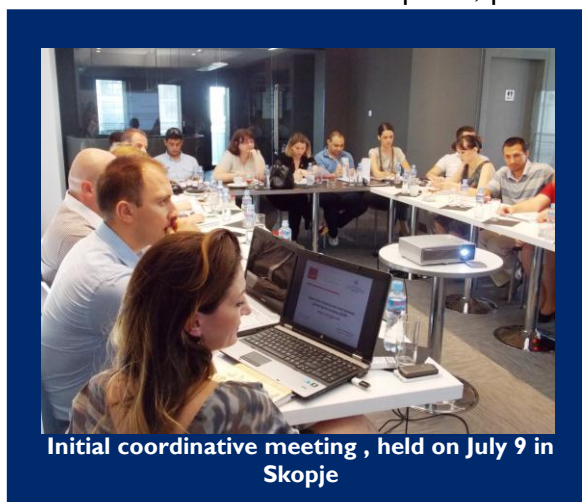
##### ***SP-Y3-PPD-#5- Expert assistance to analyze the current ENER solution and the RIA model***

During Year Three, the Project developed a promotional brochure for ENER web portal, provided translation and printed it in Macedonian and Albanian. The brochure was disseminated to the business community at all promotional and NECC events, as well promoted through media.

In addition to this, in the course of Year Three, the Project completed procurement procedures for engaging a local expert to conduct a RIA/ENER review. After creating the ToR, and conducting interviews with expert-candidates, Mr. Darko Janevski was selected. The SoW of this activity was approved on June 12, 2013.

On July 9, 2013, the Project organized a coordinative meeting for reviewing the existent electronic solution - ENER - and proposed improvements toward creation of a sound and consistent Public Private Dialogue in terms of public consultation in the regulatory process. The meeting was attended by representatives from eleven ministries, and the experts engaged by IDEAS. The main goal of the meeting was to analyze ENER's strengths and weaknesses as a foundation for further improvement of its performance.

After obtaining the expectations and recommendations from the participants, the consultant analyzed the portal and provided recommendations for improvements. Two months after the initial



**Initial coordinative meeting , held on July 9 in Skopje**

meeting, another coordinative meeting with all stakeholders was organized on October 2, in Skopje. At the meeting, the recommendations for improvements of the current ENER solution and the RIA model were presented and discussed with the attendees. Also, the consultant provided long- and short-term recommendations on ENER as an instrument, toward creation of a sound and consistent PPD in terms of public consultation in the regulatory process.

In addition to the portal, the Project engaged MISA and Ein-Sof to collaborate on the ongoing maintenance upgrades of ENER as foreseen in our work plan.

#### **Deliverables:**

- Developed final report which includes: detailed review of the existent solution and a comparative analysis; and
- Provided recommendations on ENER improvements to the GoM and its institutions and the business community.

#### ***SP-Y3-PPD-#3- Capacity building of Ministry of Information Society and Administration (MISA) and RIA/ENER achievements presentation***

In the reporting period, the Project organized a study visit to the Italian Government-Department for Regulatory affairs-RIA Division, the RIA Observatory Institute MIPA and the RIA Project team - Formez in Rome, for Ms. Dimitrovska from MISA, achieving results on several levels:

- Exchange of knowledge, establishment of a partnership and learning from the Italian RIA authorities on the highest level,
- Introduction of the Macedonian RIA/ENER model to RIA professionals from 9 countries on three continents, and learning from their experiences,
- Participation at the international RIA training in Rome, Italy, May 13-17, 2013,
- Establishment of cooperation with Italian institutes, EU designated RIA project staff and NGOs active in RIA and public consultation in the regulatory process, to support growth in the future.



This visit was successfully realized, in coordination with, and at the request of MISA, producing benefits for the RIA development process in Macedonia. The SoW of this activity was approved on April 22, 2013.

#### **Deliverables:**

- Provided the participants with useful exchange of experience, information and ideas for future activities on further developing structured and efficient PPD mechanisms in the field of RIA and public consultations on the regulatory process,
- Macedonian RIA professionals established with a wide and sustainable network of professionals in the field of RIA in several countries as a learning network.

### **ACTIVITY 3 – Strengthening capacities of CoC/BA to engage in PPD**

#### ***SP-Y3-PPD-#4 - Training on creating policy papers for the business community***

During Year Three, a series of preparation sessions were held with representatives of different CoC/BA in order to identify their strengths and weaknesses and priority fields of assistance. The Project focused on time schedules and coordination of activities with the NECC. More specifically, the representatives of the CoC/BA participated in three trainings organized by the Project:

- The Project Management Professional training, held in course of June,
- Communication and Presentations Skills and Public Speaking Training, held in July, 2013 and
- Training on creating policy papers for the business community, held in September 23-24, 2013 in Gevgelija. The SoW of this activity was approved on August 2, 2013.



**The training atmosphere**

The main impact of this project activity is a skilled, stable and sustainable group of professionals in every CoC and together, from all CoC's and business associations, able to propose relevant policy papers themselves, as relevant counterparts in the PPD process on national level.

This activity is expected to strengthen the role of the Chambers of Commerce and other business associations in the process of policy making and to build capacities of the private sector for dialogue with the GoM. Consequently, this activity is expected to raise the level of dialogue between the private and the public sector (the GoM in general) in developing sound economic policies, through practicing effective and constructive communication.

#### **Deliverables:**

- Build the capacity of business associations in order to maximize their contribution to the development and operation of their respective organizations,
- Increased potential for advancement and a public perception of greater expertise,
- Improved knowledge, tools and skills for project management, creating policy papers, communication, presentation and public performances within the organization.



## PR/Communication/Public Education/Inclusive Development

During the Year 3 of its operation, the IDEAS Project, under Public Relations (PR), completed three special projects: I. Developing and disseminating brochure for promotion of ENER web portal (SP-Y3-Media # 1), II. Communication & Presentation Skills and Public Speaking Training (SP-Y3-Media # 2) and III. Role of the Business Community in People with Disability Inclusion -roundtable (SP-Y3-Media/PPD# 3). In course of Year Three, another project was finalized: the II). Promoting project activities in economic media outlet- Kapital (SP-Y2-Media No. 2). The results achieved are described below:

### ***SP-Y3-Media # 1- Developing and disseminating brochure for promotion of ENER web portal***

In the course of 2013, the Project, in cooperation with the Ministry of Information Society and Administration (MISA), developed a promotional brochure for the ENER portal. The SoW of this activity was approved on February 26, 2013. “Koma” printing company produced the brochure, in both Macedonian and Albanian. Subsequently, distribution was organized according to the Work Plan, with 1,500 copies distributed in the weekly magazine Kapital. The magazine is distributed to 1,000 subscribers as well as to another 500 companies around the country.

In order to further promote the portal, the Project organized a presentation on the national TV station Alfa as a communication-related activity. Goran Lazarevski, Public Private Dialog Component Lead, appeared on TV Alfa’s morning program to discuss his experiences at the international Regulatory Impact Assessment seminar held in Rome. The brochure developed by the Project to promote the ENER portal was also presented and Lazarevski invited the public to visit it. The Communication Manager provided input for the USAID/Macedonia Facebook and Project’s website, posted on the: <http://www.ideas.org.mk/Video/10/ENER-presentation-on-Alfa-TV-May-23-2013>



### **Deliverables:**

- Developed promotional brochure for ENER, on Macedonian and Albanian languages;
- Provided its promotion and disseminated in various events, as applicable.

### ***SP-Y3-Media # 2- Communication & Presentation Skills and Public Speaking Training***

In July 2013, the Project initiated, planned and successfully organized a “Communication and Presentations Skills and Public Speaking Training” for representatives from the Project and the following stakeholders: the Ministry of Economy; National Entrepreneurship and Competitiveness Council; Agency for Foreign Investments and Export Promotion (InvestMacedonia), and the Agency for Entrepreneurship Promotion. Based on the skills gap assessment of the Project’s counterparts, the lack of effective communication skills has been identified as one of the important areas to be improved in order to increase the efficiency of the various government and donor-funded initiatives.

The SoW for the activity was approved on July 2, 2013. Subsequently, the Project wrote to its stakeholders, informing them about the training, and asking responsible officials to delegate

representatives from their organizations to participate in the two-day training. The participants included: six participants from InvestMacedonia; two from the Ministry of Economy and the Agency for Entrepreneurship Promotion; and three representatives from the NECC and its members: the Organization of Employers, Macedonian Chamber of Commerce and MASIT. The Project engaged a qualified local consultant, CDS (Center for Business Cooperation), which delivered two training sessions, one for participants delegated by Project stakeholders, and another for Project and USAID/Mission staff members.



Project partners training atmosphere

The two-day training sessions took place in Ohrid, on July 10-12, and in Skopje on July 16-17, 2013. In total, 29 participants attended the sessions. At the end of the training, the trainees awarded with the certificate in recognition of their attendance and successful completion of the *Communication and Presentations Skills and Public Speaking Training*. Feedback from the trainees was exceptionally positive. A final report was developed by CDS and the Communication Manager and submitted to the Chief of Party.

#### **Deliverables:**

- Gained knowledge and skills in conflict resolution; verbal, non-verbal and written communications; and media relations.
- Enabled participants to acquire practical techniques in collecting their thoughts and communicating them effectively during meetings, conferences and media events.

#### **SP-Y2-Media No. 2 – Promoting Project Activities in Economic Media Outlet “Kapital”**

In course of January, 2013, the project organized an interview with Minister of Economy, Valjon Saraqini and Gordana Toseva, IDEAS Industrial Policy and Investment Promotion Senior Advisor for Kapital. The interview was published February 22, 2013. This was the last interview as planned in the Special Project (SP-Y2-Media No. 2) and its purpose was to promote the web portal <http://konkurentnost.mk/>, developed with support of the Project. The portal became publicly available on January 15, 2013. In addition, the Project developed a promotional brochure with basic information on KonkurentnostMK. The brochure was distributed to 1,500 subscribers of Kapital. The article was shared with COR and DOC, and posted on Project’s website and USAID’s FB page. <http://www.facebook.com/#!/USAIDMacedonia?fref=ts>.

#### **Identify, develop and disseminate specific and targeted market information in InStore Macedonia**

During Year Three, the Project, in cooperation with InStore Macedonia, identified, developed and published three Project-related articles, providing the targeted audience with relevant and up-to-date information related to Project-funded activities. There was no cost for these articles. During the reporting period, the Communication Manager met with InStore’s Editor-in-Chief on several occasions and identified three Project-related themes worth promoting in the magazine, as described below:

- Experts view: Macedonian companies exhibiting in trade fairs ( featured Kiril Minoski, Senior Advisor); published in March, 2013,

- Article concerned on the konkurentnostMK web portal, which was promoted in a bi-monthly edition (July-August) of the magazine (featured Gordana Toseva, Senior Advisor), and
- Article on NECC's benefits to the Macedonian private sector; published in September issue of the Magazine (featured Goran Lazarevski, Senior Advisor).



## IDEAS related articles published in InStore Trade Magazine

The online editions of the Magazine can be explored through this link:

<http://www.instore.mk/magazines/all/2013>. In addition, the articles were shared through the USAID/Mission's Facebook page <https://www.facebook.com/#!/USAIDMacedonia> and the IDEAS website: <http://www.ideas.org.mk/>

## Contribution to USAID FB Page and IDEAS web site

In course of 2013, the Project submitted input (text and visuals) for USAID's Facebook page related to three activities completed in July, August and September 2013:

- Communication and Presentations Skills and Public Speaking Training
- Support to enhance the competitiveness of Macedonian companies
- Sustainable economy through dialogue

The information was published at the links below:

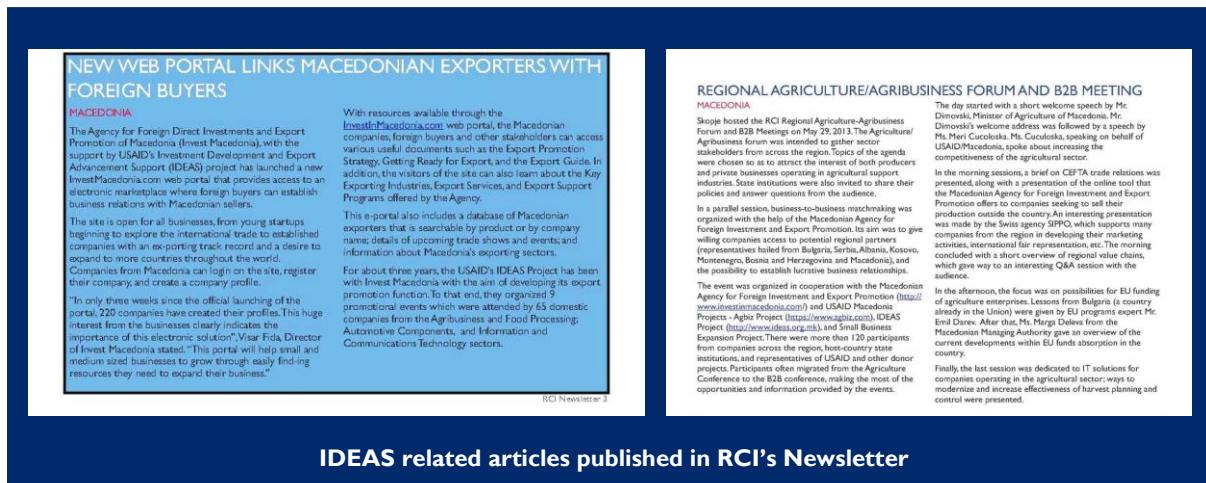
<https://www.facebook.com/#!/USAIDMacedonia>

<http://www.ideas.org.mk/News/I32/Support-to-enhance-the-competitiveness-of-Macedonian-companies>

<http://www.ideas.org.mk/News/I30/Communication-and-Presentations-Skills-and-Public-Speaking-Training>

## Information Sharing with Similar Regional Projects

To expand the regional recognition of the IDEAS Project and to broaden its audience, the Communications Manager shared Project success stories with the Regional Competitiveness Initiative (RCI). In the August 2013 edition of RCI's Newsletter, two IDEAS-related articles were published. The first one is a success story on the InvestMacedonia's web portal (developed with Project support). The second article is related to the regional agriculture/agribusiness forum and B2B event organized in coordination with USAID's AgBiz Program.



IDEAS related articles published in RCI's Newsletter

## Develop and Release Project Success Stories

During the reported period, three success stories were identified, prepared and released. All of them were developed in conjunction with Project partners; and were shared with USAID/COR; Regional Competitiveness Initiative (RCI) Project and DOC, and posted on the website.

- Macedonian Regulatory Impact Assessment Model, an Example to Follow,
- Improving the Public-Private Dialogue with Internet Platform and
- New Web Portal Links Macedonian Exporters with the Foreign Buyers.

## Develop, Release and Track Media Advisories and/or Press Releases

During Year 3, the Project prepared and released six Media Advisories/Press Releases and gained vast media coverage in national (public and private media), with 56 positive articles published, and five TV appearances. Press clippings were posted on the project website under "IDEAS in the Media." <http://www.ideas.org.mk/Pages/IdeasInTheMedia/>



## Inclusive Development

### **SP-Y3-Media/PPD# 3-The Role of the Business Community in People with Disability Inclusion -roundtable -**

During this reporting period, the Project's Point of Contact for inclusive development (the Communication Manager), in cooperation with the PPD component, identified an activity related to Inclusive Development, entitled: "The Role of the Business Community in Inclusion of People with Disability" – roundtable. The SoW was approved on August 27, 2013.

The purpose of the roundtable discussion was to gather in one place different stakeholders responsible for the inclusion of people with disabilities. It enabled them to discuss their experiences and their efforts to increase employment opportunities and identified opportunities for better cooperation, in order to improve the current situation of people with disabilities. The general objective was to create a more sensitive climate within the business sector for the inclusion of people with disabilities in the community.

The roundtable was organized by the Project and the National Entrepreneurship and Competitiveness Council in cooperation with "Open the Windows", and held on October 3, in hotel Porta 2013 in Skopje. The participants on the round table included: Ministry of Labor and Social Policy; Employment Service Agency of the Republic of Macedonia; National Council of Disability Organizations of Macedonia; representatives of the private sector: Textile Trade Association/Textile Cluster; "Alfi"-private company; and the Business Confederation Macedonia; and representatives of the civil sector: National Council of Disability Organizations of Macedonia; Association of Students and Youth with Disabilities, NGOs My Career, Open the Windows (currently, both implementing USAID funded projects). In total over 30 persons attended the roundtable. After the event, Press Release was disseminated to media. The event positive coverage, ten articles were published in various media.

#### **Deliverables:**

- Business community understanding of the benefits of, and their role in, inclusion of people with disabilities, primarily, and their role in social responsibility, secondarily;
- Roundtable participants provided with accurate and updated information regarding policies, procedures, and benefits of employing people with disabilities;
- Project partners with increased knowledge and understanding on inclusive development, and
- Reduction of prejudice regarding the working ability of persons with disabilities;
- Build synergy between USAID funded projects.



**Borjana Zlatanova (left), from the Association of Students and Youth with Disabilities attending the roundtable**



**The working atmosphere at the roundtable**

## Professional Development

In June 2013, the USAID IDEAS Project organized a capacity-building/professional training for the Project's counterparts. The SoV was approved on June 4, 2013. One of the goals of USAID is to develop local professional capacity and empower local experts/professionals to provide quality technical assistance beyond the life of the projects and the Mission itself.

These efforts represent a permanent legacy for the beneficiaries. For institutions the legacy includes strengthening their internal systems and procedures, and establishing firm foundations that enable effective and efficient performance. For individuals, they are able to expand their skills and knowledge and improve the scope and quality of their performance and work.

Based on the skills gap assessment of the counterparts of the project, the lack of project management skills was identified as a critical area to be improved in order to increase the efficiency of government and donor-funded initiatives.

Therefore, the Project chose the Project Management Professional (PMP) credential from the Project Management Institute (PMI). The PMI global standards provide guidelines, rules and characteristics for project, program and portfolio management. These standards are widely accepted and, when consistently applied, help individuals and/or organizations achieve professional excellence. The Project engaged a consultant, a certified PMI/PMP trainer who delivered the trainings for participants delegated by Project stakeholders. The trainer also issued certificates of attendance.

A total of two groups, comprised of 15 persons each, attended the 36-hour training, which was divided among five consecutive working days. After the training, the recipients of the training are eligible to apply to take the PMP exam.



### Deliverables:

- Increased understanding and knowledge of the training attendees on Project Management;
- More effective institutions/organizations resulting from enhanced project management in the organizations;
- Increased quality and quantity of implemented government and private sector projects.

# PERFORMANCE MONITORING PLAN (PMP)

## USAID's Macedonia Investment Development and Export Advancement Support

### Performance Monitoring Plan (up to October 3, 2013)

| No.   | Performance Indicator and Unit of Measurement   | Indicator Definition   | Data Source/<br>Frequency         | Baseline | FY 1 (2011)  |        | FY 2 (2012)        |        | FY 3 (2013)  |        | FY 4-LoP (2014)    |        |
|---|---|--|-----------------------------------|----------|--------------|--------|--------------------|--------|--------------|--------|--------------------|--------|
|   |   |  |                                   |          | 1 Jan–30 Sep |        | 1 Oct'11–30 Dec'12 |        | 1 Oct–30 Sep |        | 1 Oct,13–28 Dec,14 |        |
|   |   |  |                                   |          | Target       | Actual | Target             | Actual | Target       | Actual | Target             | Actual |
| Intermediate Result 3.1: Improved Business Environment in Critical Areas                            |   |  |                                   |          |              |        |                    |        |              |        |                    |        |
| Sub IR 3.1.1: Strengthened Government Capacity to Implement Economic Policies & Programs            |   |  |                                   |          |              |        |                    |        |              |        |                    |        |
| Indicators under 1.1; 2.1; 2.2;   |   |  |                                   |          |              |        |                    |        |              |        |                    |        |
| <b>IDEAS Project Result: Improved Foreign Direct Investment (FDI) and Domestic Investments (DI)</b> |   |  |                                   |          |              |        |                    |        |              |        |                    |        |
| <b>Archived I.1.</b>  | Number of new competitiveness policies, programs, action plans related to industrial policy being implemented                         | Being implemented means that decisions from the Competitiveness Committee of Ministers include the private sector comments and are being put into practice by the implementing agencies at the national and/or local level.      | Internal Project reports/Annually | 0        | 3            | 0      | 8                  | 7      | 16           | 15*    | Archived 2013      |        |
| <b>** NEW I.2</b>   | Number of new aftercare services being offered to foreign investors by InvestMacedonia and TIRZD as main aftercare services providers | New aftercare services developed as a result of USG assistance, and being implemented by InvestMacedonia and the Technological Investment Development Zones Directorate (TIRZD) in an efficient, focused and transparent manner. | Internal Project reports/Annually | 0        | -            | -      | -                  | -      | -            | -      | 6                  |        |

| IDEAS Project Result: Improved Export Facilitation and Investment Aftercare  |  |  |   |             |       |   |        |              |              |                       |                      |  |
|--|--|--|---|-------------|-------|---|--------|--------------|--------------|-----------------------|----------------------|--|
| <b>Archi<br/>ved<br/>2.1.</b>  | Volume of exports from targeted sectors facilitated by InvestMacedonia through USG assistance (in \$)            | The value of exports in a given year in targeted sectors, facilitated by InvestMacedonia.  | State Statistical Office/Annually               | 576.945.581 | By 5% | 0 | By 15% | 614.417.634  | 798.742.924  | 616.824.990           | Archi<br>ved<br>2013 |  |
| <b>2.2.</b>  | Number of new policies, measures, and sub-legislation that facilitate export are adopted                         | Policies, measures, and sub- legislations are defined as any reform programs that affect the legislative and/or policy framework. The entity that is expected to adopt them is InvestMacedonia.  | Project reports, Implementing partners/Annually | 0           | 1     | 1 | 3      | 4            | 5            | 5***                  | 6                    |  |
| IDEAS Project Result: Improved Public Procurement Legal Framework  |  |  |   |             |       |   |        |              |              |                       |                      |  |
| <b>3.1.</b>  | Number of new policies and/or regulations submitted to GoM for review and adoption as a result of USG assistance | Number of new policies and/or regulations related to public procurement submitted to GoM for review and adoption, in cooperation with Public Procurement Bureau (PPB).   | Implementing partners/Annually                  | 0           | 1     | 1 | 2      | 9****        | 0            | 0                     | 0                    |  |
| Intermediate Result 3.1: Improved Business Environment in Critical Areas<br>Sub IR 3.1.2: Public-Private Dialogue Improved<br>Indicators under: 4.1 and 4.2. |  |  |   |             |       |   |        |              |              |                       |                      |  |
| IDEAS Project Result: Enhanced Public-Private Dialogue   |  |  |   |             |       |   |        |              |              |                       |                      |  |
| <b>4.1.<br/>(PPR)</b>  | Percentage of issues resolved as a result of dialogue efforts supported by USG assistance                        | The number of new issues resolved by the GoM, against the number of issues raised before the government by the private sector organizations, firms, and individuals using acceptable advocacy approaches such as policy papers, public debates, conferences, and others. | Project reports, Implementing partners/Annually | 0           | 50%   | 0 | 54%    | 52%<br>35/67 | 59%<br>50/84 | 61%<br>54/89<br>***** | 63%                  |  |

|   |   |  |   |   |     |  |     |   |      |  |      |  |
|---|---|--|---|---|-----|--|-----|---|------|--|------|--|
| 4.2.  | Number of new public-private dialogue mechanisms institutionalized by GoM as a result of USG assistance | Dialogue mechanisms and means used by entities and the regulations used by private sector organizations (firms and individuals) to raise issues with the government that the GoM turns into permanent channels of private sector input into policy making. | Project reports, Implementing partners/Annually | 0 | 0   | -  | 1   | 1<br>National Entrepreneurship and Competitiveness Council (NECC)           | 2    | 2<br>(Update of Unique National Electronic Register of Regulations)  | 3    |  |
| <b>IDEAS Project Result: Enhanced Government Capacity to implement new Policies</b> |   |  |   |   |     |  |     |   |      |  |      |  |
| 5.1.  | Number of people trained as a result of USG assistance (disaggregated by gender and areas)              | Trained is defined as acquired skills to be able to independently support the implementation of the policies, disaggregated by gender and areas. Areas are: industrial policy; export promotion; public procurement; public-private dialogue.              | Project reports, Implementing partners/Annually | 0 | 155 | 77<br>Female-39<br>Male-38<br><br>IP-47<br>EP-30 | 202 | 995<br>Fem- 494 ;<br>Mal- 501;<br><br>IP-112<br>EP-300<br>PP-420<br>PPD-163 | 1240 | 1393(cumulative)<br><br>Fem-695<br>Mal-698<br><b>IP-149</b><br>(M-65; F-84)<br><b>EP-321</b><br>(M-189;F-132)<br><b>PP-420</b><br>(M-190;F-230)<br><b>PPD-503</b><br>(M-254;F-249) | 1643 |  |

|              |   |   |                                |      |     |      |      |      |      |               |      |  |
|--------------|---|---|--------------------------------|------|-----|------|------|------|------|---------------|------|--|
| 5.2<br>(PPR) | Number of days of USG funded technical assistance in business enabling environment provided to counterparts or stakeholders | The provision of goods or services to developing countries and other USAID recipients in direct support of a development objective-as opposed to the internal management of the foreign assistance program. Services could include the transfer of knowledge and/or expertise by way of staff, skills training, research work and financing to support quality of program implementation and impact, support administration, management, representation, publicity, policy development and capacity building. Technical assistance includes both human and institutional resources. Technical assistance does not include financial assistance. Business enabling environment is defined as improving policies, laws, regulations, and administrative practices affecting the private sector. | Implementing partners/Annually | 1218 | N/A | 1218 | 1585 | 1610 | 1633 | 1378<br>***** | 1578 |  |
|--------------|---|---|--------------------------------|------|-----|------|------|------|------|---------------|------|--|

**Notes:**

**\* Indicator under I.1. ARCHIVED in Sept. 2013-** List of competitiveness initiatives that have been adopted and implemented by GoM in industrial policy-related areas by Sep., 30, 2013.

1. Action Plan for Industrial Policy Implementation for 2012 – 2013. Adopted by GoM on August 21, 2012 (Action Plans are not published in Official Gazette).
2. Program for Industrial Policy Implementation 2012 (Official Gazette 12/2012). Implementing institution: Ministry of Economy.
3. Program for Support and Development of Clusters (Official Gazette 12/2012). Implementing institution: Ministry of Economy.
4. Program for Development of Entrepreneurship, Competitiveness and Innovation of SMEs (Official Gazette 12/2012). Implementing institution: Ministry of Economy.
5. Program for Support of Entrepreneurship, Competitiveness and Innovation of SMEs (Official Gazette 12/2012). Implementing institution: Agency for Promotion of Entrepreneurship.
6. Program for Scientific Research and Technology Development (Official Gazette 8/2012). Implementing institution: Ministry of Education and Science.
7. Web portal [www.konkurentnost.mk](http://www.konkurentnost.mk) (Competitiveness.mk) – is hosted by the Ministry of Economy, and the portal is giving the business sector access to information on all available government support related to implementation of the Industrial Policy.
8. Program for Competitiveness, Innovations and Entrepreneurship for 2013 (Official Gazette 4/2013), implemented by the Ministry of Economy – set of measures for development of new products and services and market development.
9. Program for Competitiveness, Innovations and Entrepreneurship for 2013 (Official Gazette 4/2013), implemented by the Ministry of Economy – set of measures for developing the entrepreneurship, competitiveness and innovativeness of SMEs.
10. Program for Competitiveness, Innovations and Entrepreneurship for 2013 (Official Gazette 4/2013), implemented by the Ministry of Economy – set of measures for supporting and developing clusters.
11. Program for Performing Scientific and Research Activities and Technological Development (Official Gazette 4/2013), implemented by the Ministry for Education and Science.
12. Program for Investing in the Environment – Project for development of ecologically-marked products and services (Official Gazette 4/2013), implemented by the Ministry of environment and Spatial Planning.
13. Program for Supporting the Entrepreneurship, Competitiveness and Innovativeness of SMEs for 2013 (Official Gazette 4/2013), implemented by the Agency for Promotion of Entrepreneurship.

14. Program for Promoting and Supporting Tourism (Official Gazette 11/2013), implemented by the Agency for Promoting and Supporting Tourism.
15. Top Management – Project implemented by the Government of Macedonia for improving the management skills and knowledge of Macedonian managers.

**Note:** Starting from 2013, the Ministry of Economy integrated three programs into one. Since this single integrated program named Program for Competitiveness, Innovations and Entrepreneurship for 2013 includes measures from all three previous programs, they have been separately listed under 8, 9 and 10.

**The rational for changing the I.I. Indicator with new one-** The Project started to reduce its assistance efforts in the area of industrial policy implementation and to increase activities for support of the development of aftercare services. The main reasons for this shift were the following:

- The mid-term external evaluation of the work of the IDEAS Project completed in December 2012 strongly recommended intensification of the assistance efforts in the area of aftercare support.
- A new industrial policy support project funded through the EU IPA (Instrument for Pre-Accession) is expected to start in the course of 2014 bringing into the process additional donor resources. The new project will represent a next generation of industrial policy assistance and will continue the IDEAS work on strengthening coordination and capacity of government institutions to design and implement competitiveness programs and measures that will significantly impact the economic growth and job creation in Macedonia.
- Last but not least, the Project carried out a survey among the largest foreign investors in the country and discussed the issue of the current aftercare system with all relevant government institutions. The findings of the report unequivocally diagnosed weaknesses in the institutional and human capacity for provision of aftercare services and recommended urgent set of actions for improvements in this area.

**\*\* NEW indicator: I.2 NEW- Number of aftercare services being offered to foreign investors by InvestMacedonia and TIRZD as main aftercare services providers.** This indicator in best manner will measure the assistance Project is providing to the responsible institutions as main aftercare services providers.

**Indicator under 2.1. ARCHIVED** The source of information for this indicator is State Statistical Office (SSO), annually. Having in mind that calendar and the fiscal year in Macedonia are from January until December relevant statistical information for the annual export per sector are published in March-April the following year, therefore more accurate information could be provided in April 2013, when the percentage of change in the export could be calculated with the annual export data for whole 2012.

When the baseline for this indicator was identified, the Project took the total export for calendar year 2011 (USD 960.845.885), since the targeted sectors that the Project will support were not yet determined. Having in mind that the Project by end of 2012, obtained the data (from SSO) for calendar 2011, the Project calculated the baseline for volume of exports from targeted sectors, which was \$ 576.945.581, 24 USD. And is worth to be noted that the SSO has own methodology of tracking volume of exports, and that is not by sectors as the Project defines them.

For calculating the actual volume of export for the three targeted sectors (\$ 614.417.633,79) for 2012, were taken the available SSO export information for the period of eight months (January until August, 2012). The projected target for the 2013 is \$ 798.742.923,92 USD (or up to 30% from the baseline).

The actual volume of export for the targeted sector for first six months of 2013 (Jan-July), according to SSO is \$ 2.407.356 USD. Therefore, the total (cumulative) volume of export by the end of July 2013 (data for August and September'13 are not available, yet) is \$ 616.824.990 USD. The projected target for the last year (which includes 15 months of Project's operation, October 1, 2013 –December 28, 2014) is \$ 740.189.988 USD (or up to 20% from the indicator's baseline).

**The rational for dropping the 2.1. indicator-** In accordance with the Law on the Agency for Foreign Investment and Export Promotion, the main functions of the Agency related to exports are:

- To provide market information for Macedonian companies;
- Business development- which includes participation on international trade fairs; organizing trade missions and B2B events and generating contact/leads from foreign companies;
- Increase the awareness of Macedonian export companies by issuing publications and organization of educational events, and
- Country/Industry branding.

The Project proposed to USAID, this indicator to be archived from the following reasons:

The source of information for this indicator is SSO, where the information is categorized differently than in the definition of the sector as per Export Strategy, adopted by the Government in 2011. (The approach from the Export Strategy was accepted by the InvestMacedonia and by the Project and included in our reporting system).

In the Key Performance Indicators (KPI) defined for InvestMacedonia that were defined in the Strategic Framework for the period of 2011-2014, the measurement of volume of export was not included. Therefore the main export performance indicators are: number of business leads, number of the trade events organized, number of company involved in the trade events, number of prepared market entry reports, etc. Volume of the export as a part of the KPI's for InvestMacedonia will be included after 2014.

**\*\*\* Indicator under 2.2.** List of new adopted policies, measures, and sub-legislation that facilitate export are:

1. Strategic Framework for InvestMacedonia
2. Export Web Portal- The development of the IT solution for export promotion portal of InvestMacedonia. The web platform will include the company profiles of current and potential exporters, as well as the market information for the specific sectors.
3. Learning exports- Government of Macedonia initiated a new export support measure— “We are Learning Export”—with two main objectives: (1) provide individual assistance to companies for increasing their exports and (2) increase the general export awareness through publications and seminars.
4. Market information -the Project has supported the access for InvestMacedonia to the Euromonitor database. This will enable to develop sample reports in a selected number of industries to serve as a template for market entry reports.

The Export Web Portal, Learning export and Market Information are measures identified under the Strategic Framework for InvestMacedonia. The Project in cooperation with other donors is assisting InvestMacedonia to implement these measures.

5. Creation of the Market Entry Report as a part of the process for establishing the market information function of the InvestMacedonia- completed in 2013.

By the end of the next year 2014, the Project under the EP component, aims to introduce and establish one new measure that facilitate export, and that is the export readiness assessment tool for InvestMacedonia.

**\*\*\*\* indicator under 3.1.** List of new policies and/or regulations submitted to GoM for review and adoption as a result of USG assistance. The source of this information is Center for Solutions and Reforms REFORMIKO, which has been subcontracted to implement activities in the Public Procurement (PP).

1. Catalogue of Competencies for the Public Procurement Officers
2. Action Plan for further development of the e-Procurement system 2011-2012
3. Model contract for procurement of software application development
4. Amendments to the Law on Public Procurements
5. Rulebook on Training Program, Manner of Implementation of the Training, Fees, as well as the Form and Content of the Certificate
6. Instruction on organization and implementation of the public procurement trainings
7. Trainers' Guidelines
8. Action Plan for Gradual introduction of mandatory certification
9. Instructions for issuing bank guarantees in electronic form

**\*\*\*\*\* Indicator under 4.1.** By September'13, cumulatively 89 issues were raised by the four chambers of commerce (CoC): Economic Chamber of North-West Macedonia (ECNWM)-19; Macedonian Chambers of Commerce (MCC)-38; Economic Chamber of Macedonia (ECM)-25; and ICT Chamber of Commerce (MASIT)-7. Out of raised issues, 53 were resolved (or 61%) as a result of Project's supported activities under the PPD implemented together with the respective CoCs .The breakdown of the issue resolved is as following: ECM-15; MCC-25; ECNWM-10; MASIT-4.



**Indicator under 4.2.** By September'13, were established two mechanisms used by entities and the regulations used by private sector organizations (firms and individuals) to raise issues with the government that the GoM turns into permanent channels of private sector input into policy making.

The first one was the establishment of the National Entrepreneurship and Competitiveness Council (NECC) achieved in 2012, and the second was upgrading Unique National Electronic Register of Regulations (ENER) [www.ener.gov.mk](http://www.ener.gov.mk), completed in 2013.

The target, for next year (2014) is to establish Annual PPD Forum that will be hosted by the NECC, where the private sector would present policy-papers on specific issues and the PPD process would be evaluated on annual level. This high-level PPD mechanism is expected to become an annual event presenting the improved ability of the business community to actively participate in the process of building better business environment and conditions for export and investment.

**Indicator under 5.1.** By October 3, 2013, in total 1,393 people were trained. Out of which were 695 female and 698 male. The structure of the trained people according to gender balance is as follows:

- In IP were trained 149 individuals, from which 84 were females and 65 males.
- In EP were trained 321 individuals, from which 132 were females and 189 males.
- Under PP were trained 420, out of which 230 were females and 190 males and
- In PPD were trained in total 503 people, from which 249 were female and 254 males.

The target for the next year (2014) is to train additional 250 people, and cumulatively to achieve 1,643 trained people which have acquired skills to be able to independently support the implementation of the policies in the relevant sectors.

Standard indicators under the USAID Foreign Assistance Framework Program Elements: Private Sector Productivity and Business Enabling Environment.

**4.1. (PPR)** Percentage of issues resolved, as a result of dialogue efforts supported by USG assistance. Indicator will be used for USAID/Macedonia Performance Plan Reporting purposes.

\*\*\*\*\* **5.2 (PPR)** Number of days of USG funded technical assistance in business enabling environment provided to counterparts or stakeholders. Indicator is used for USAID/Macedonia Performance Plan reporting purposes starting from the beginning of FY2012. The baseline reflects the actual result of FY2011. The targets and actuals for each year are separate, not cumulative.

During the reported period, in total 1378 days were spent for providing assistance to Project counterparts and stakeholders. In 2013, the Project has used in most cases own resources and technical staff to provide assistance to the Project counterparts or stakeholders; compared with previous year when foreign and/or local consultants were outsourced to provide specific deliverables.

## II BUDGET

|  | Total Budget for the period January 1 – September 30, 2013 |
|--|--|
| BAH Labor (Home Office and Local Staff)                        | \$344.099,71   |
| ODCs (operational costs and associated burdens)                | \$69.712,25  |
| Special Projects (ICs+BAH+ ODCs)/PR Marketing & Comm/ICT Tools |  |
| Component A (FDI/DI/Aftercare)                                 | \$24.732,84  |
| Component A (Export Promotion)                                 | \$12.296,67  |
| Component B (PPD)  | \$31.549,21  |
| Component C - Media  | \$10.530,80  |
| Total of Special Projects                                      | \$79.109,52  |
| <b>TOTAL</b>   | \$492.921,48   |
| Burdens, Fees, Overheads                                       |  |
|  | \$72.834,35  |
| <b>TOTAL</b>   | \$565.755,83   |

Note: Due to several factors (stakeholders' absorption capacity and frequent travel of its management, increased assistance provided by the project staff members, short period of implementation of certain activities including the summer period, etc.), the Project underspend in the subject period. Also, professional development funds were not used during the last year of implementation. Hence, the funds unspent during Year III were moved to Year IV to enable increased level of activities in the last year of the Project.

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